

1 [Authorizing and Ratifying Issuance of Bonded Indebtedness and Other Debt - Special Tax
2 District No. 2019-2 (Pier 70 Leased Properties) - Not to Exceed \$1,841,600,000]

3 **Resolution authorizing and ratifying the issuance and sale of bonded indebtedness and**
4 **other debt in an aggregate principal amount not to exceed \$1,841,600,000 for the City**
5 **and County of San Francisco Special Tax District No. 2019-2 (Pier 70 Leased**
6 **Properties); and determining other matters in connection therewith, as defined herein.**

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8 WHEREAS, California Statutes of 1968, Chapter 1333 (“Burton Act”) and San
9 Francisco Charter, Section 4.114 and Appendix B, beginning at Section B3.581, empower the
10 City and County of San Francisco (“City”), acting through the San Francisco Port Commission
11 (“Port” or “Port Commission”), with the power and duty to use, conduct, operate, maintain,
12 manage, regulate, and control the lands within Port jurisdiction; and

13 WHEREAS, FC Pier 70, LLC, a Delaware limited liability company (“Master
14 Developer”) and the City, acting by and through the Port, are parties to a Disposition and
15 Development Agreement (as amended from time to time, “DDA”), including a Financing Plan
16 (as amended from time to time, “Financing Plan”), that governs the disposition and
17 development of approximately 28 acres of land in the waterfront area of the City known as
18 Pier 70 (“Project Site”); and

19 WHEREAS, In the general election held on November 4, 2014, an initiative entitled, the
20 “Union Iron Works Historic District Housing, Waterfront Parks, Jobs and Preservation
21 Initiative” (“Proposition F”), was approved by the voters in the City; and

22 WHEREAS, The DDA contemplates a project (“Project”) under which the Port would
23 initially lease the Project Site to the Master Developer for infrastructure development, and,
24 ultimately, lease and sell parcels in the Project Site to vertical developers, for development of
25 a mixed-use project described in the DDA; and

1 WHEREAS, The City anticipates that, in addition to the infrastructure and private
2 development described above, future improvements will be necessary to ensure that the
3 shoreline, public facilities, and public access improvements will be protected should sea level
4 rise in the vicinity of the Project Site, and the Board of the City (“Board”) desires to provide a
5 mechanism to pay for the costs of such improvements; and

6 WHEREAS, At its hearing on August 24, 2017, and prior to recommending proposed
7 Planning Code amendments for approval, by Motion No. 19976, the Planning Commission
8 certified a Final Environmental Impact Report (“FEIR”) for the Project (Case No. 2014-
9 001272ENV) pursuant to the California Environmental Quality Act (“CEQA”) (California Public
10 Resources Code, Section 21000 et seq.), the CEQA Guidelines (14 Cal. Code Reg., Section
11 15000 et seq.), and Chapter 31 of the Administrative Code; a copy of said Motion is on file
12 with the Clerk of the Board in File No. 170930, and is incorporated herein by reference; and

13 WHEREAS, In recommending the proposed Planning Code amendments for approval
14 by this Board at its hearing on August 24, 2017, by Motion No. 19977, the Planning
15 Commission also adopted findings under CEQA, including a statement of overriding
16 consideration, and a Mitigation Monitoring and Reporting Program (“MMRP”); a copy of said
17 Motion and MMRP are on file with the Clerk of the Board in File No. 170930, and is
18 incorporated herein by reference; and

19 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as
20 it may be amended from time to time, “Code”), which Code incorporates by reference the
21 Mello-Roos Community Facilities Act of 1982, as amended (“Mello-Roos Act”), this Board is
22 authorized to establish a special tax district and to act as the legislative body for a special tax
23 district; and

24 WHEREAS, the Board has conducted proceedings under and pursuant to the Code to
25 form “City and County of San Francisco Special Tax District No. 2019-2 (Pier 70 Leased

1 Properties)” (“Special Tax District”), to authorize the levy of special taxes upon the land within
2 the Special Tax District and to authorize the issuance of bonds and other debt (as defined in
3 the Mello-Roos Act) secured by said special taxes for the purpose of financing certain
4 improvements (“Facilities”) and incidental expenses (“incidental expenses”), all as described
5 in those proceedings; and

6 WHEREAS, This Board has determined that such debt may include an agreement by
7 the Special Tax District (or the City on behalf of the Special Tax District) to repay the City,
8 acting by and through the Port Commission, for one or more advances of land proceeds and
9 other sources of Port funding to pay the costs of the Facilities and incidental expenses
10 (“Advances”), which repayment obligation (“Repayment Obligation”) may be evidenced by one
11 or more promissory notes ratified or executed by the Special Tax District (or the City on behalf
12 of the Special Tax District) in favor of the Port Commission; and

13 WHEREAS, The Board wishes to ratify, among other things, the execution or
14 ratification of one or more promissory notes to evidence the Repayment Obligation; and

15 WHEREAS, The Board further wishes to authorize the issuance of one or more series
16 of special tax bonds to finance the Facilities, the incidental expenses and related costs and
17 expenses, and wishes to direct City staff to prepare and return to this Board for approval of
18 certain documents providing for the issuance and sale of the special tax bonds; now,
19 therefore, be it

20 RESOLVED, That the foregoing recitals are true and correct; and, be it;

21 FURTHER RESOLVED, That pursuant to the Code and this Resolution, one or more
22 series of special tax bonds designated the “City and County of San Francisco Special Tax
23 District No. 2019-2 (Pier 70 Leased Properties) Special Tax Bonds” (“Bonds”) in an aggregate
24 principal amount not to exceed \$1,841,600,000 are hereby authorized to be issued from time
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1 to time; the Bonds shall be secured by a pledge of and payable from proceeds of the special
2 taxes levied in the Special Tax District; and, be it

3 FURTHER RESOLVED, That City staff is hereby directed to work with the City's
4 consultants to prepare the documentation required for the issuance and sale of the Bonds and
5 to return to this Board for its approval of such documentation; and, be it

6 FURTHER RESOLVED, That the Board hereby approves and ratifies the appointment
7 of the Port as the CFD Agent (as defined in the DDA) for the Special Tax District and
8 approves and ratifies all actions taken prior to the date hereof by the Port in its capacity as
9 CFD Agent, including, but not limited to, execution or ratification of one or more promissory
10 notes to evidence the Repayment Obligation and execution of one more pledge agreements
11 with an infrastructure financing district to receive property tax revenues to repay the
12 Repayment Obligation; and, be it

13 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
14 word of this Resolution, or any application thereof to any person or circumstance, is held to be
15 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
16 shall not affect the validity of the remaining portions or applications of this Resolution, this
17 Board hereby declaring that it would have passed this Resolution and each and every section,
18 subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional
19 without regard to whether any other portion of this Resolution or application thereof would be
20 subsequently declared invalid or unconstitutional; and, be it

21 FURTHER RESOLVED, That the Mayor, the Controller, the Director, Department of
22 Elections, Director of the Office of Public Finance, the Clerk of the Board and any and all other
23 officers of the City are hereby authorized, for and in the name of and on behalf of the City, to
24 do any and all things and take any and all actions, including execution and delivery of any and
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1 all documents, assignments, certificates, requisitions, agreements, notices, consents,
2 instruments of conveyance, warrants and documents, which they, or any of them, may deem
3 necessary or advisable in order to effectuate the purposes of this Resolution; provided
4 however that any such actions be solely intended to further the purposes of this Resolution,
5 and are subject in all respects to the terms of the Resolution; and, be it

6 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
7 consistent with any documents presented herein, and heretofore taken are hereby ratified,
8 approved and confirmed by this Board; and, be it

9 FURTHER RESOLVED, That the Director of the Office of Public Finance and the City
10 Attorney, in consultation with bond counsel, are hereby authorized and directed to initiate a
11 judicial validation action with respect to the Special Tax District and the Bonds pursuant to
12 Code of Civil Procedure Section 860 et seq.; and, be it

13 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.

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15 APPROVED AS TO FORM:
16 DENNIS J. HERRERA, City Attorney

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19 By: _____
20 MARK D. BLAKE
21 Deputy City Attorney
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